



NATIONAL
CHARTER SCHOOL
RESOURCE CENTER
AT SAFAL PARTNERS

**Webinar:
CMOs, Authorizers, and the Charter Schools Program**



July 17, 2018

Agenda (1)

- **Introductions**
- OIG Findings
- CSP and CMO Collaboration and Opportunities
- Oversight Roles and Responsibilities
- Governance Expectation
- Other Issues

About the National Charter School Resource Center

www.charterschoolcenter.ed.gov

The screenshot shows the homepage of the National Charter School Resource Center. At the top left is the logo with the text 'NATIONAL CHARTER SCHOOL RESOURCE CENTER AT SAFAL PARTNERS'. To the right is a search bar and social media icons for YouTube, Twitter, and Facebook. Below this is a teal navigation bar with menu items: FOCUS AREAS, AUDIENCE, PUBLICATIONS, VIDEOS, FUNDING, EVENTS, and FAQs. On the right side of this bar are links for LOGIN, CMO, CSO, and SEA. Below the navigation bar is a search prompt: 'What would you like to know about Charter Schools?' followed by a 'Select Your Topic' dropdown menu and a 'BEGIN YOUR SEARCH' button. The main content area features a large image of diverse children with a semi-transparent overlay containing the text: 'Report: Charter School Discipline: Examples of Policies and School Climate Efforts from the Field'. Below this text is a button that says 'Click here to access this report' with a right-pointing arrow. At the bottom of the page are three circular icons in teal, each with a corresponding title and short paragraph: 1. A house icon with the title 'What Are Charter Schools?' and text: 'Charter schools are in 42 states, nearly 25 years old, and over 7% of k-12 students in the US are enrolled in one. Here is an explanation of this important trend'. 2. A folder icon with the title 'State Resources for Charters' and text: 'Need help finding information about charter schools in your state? Click above for a map that will guide you to resources and contact information for each state'. 3. A briefcase icon with the title 'Most Popular Charter Resources' and text: 'Click above for a list of our top resources. These resources include everything from reports on special education to documentaries on successful charters'.

- Funded through the **U.S. Department of Education**
- Makes accessible **high-quality resources to support the charter school sector**

Presenters

➤ Moderators

- Nelson Smith, Independent Education Consultant

➤ Presenters

- Alison Bagg, Massachusetts Department of Elementary and Secondary Education
- Alex Medler, National Charter School Resource Center
- Marco Petruzzi, Green Dot Public Schools
- Naomi Rubin DeVeaux, DC Public Charter School Board

Moderator

Nelson Smith, Independent Education Consultant

Participants

Alison Bagg, Massachusetts Department of Elementary and Secondary Education

Alex Medler, National Charter School Resource Center

Marco Petruzzi, Green Dot Public Schools

Naomi Rubin DeVeaux, DC Public Charter School Board

Agenda (2)

✓ Introductions

➤ **OIG Findings**

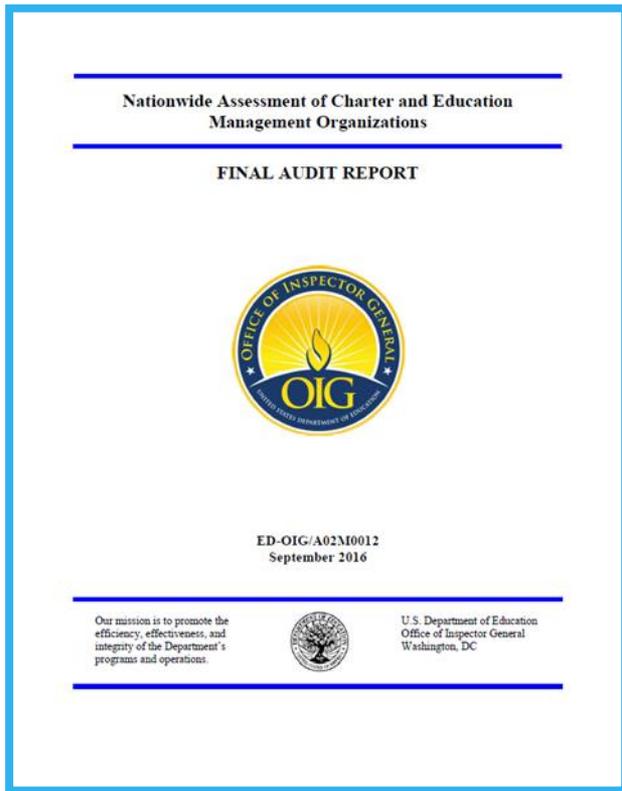
➤ CSP and CMO Collaboration and Opportunities

➤ Oversight Roles and Responsibilities

➤ Governance Expectation

➤ Other Issues

OIG Study Objective



“Assess the current and emerging risk that charter school relationships with CMOs and EMOs pose to IESE, OSERS, and OII program objectives and evaluate the effectiveness of OESE, OSERS, and OII internal controls to mitigate the risk.”

OIG Study Sample

- July 1, 2011 through March 31, 2013
- 33 schools
- 6 states
- Findings not generalizable
 - But risk of vulnerabilities illustrated by review of scandals in the media

Charter Obligations

“Charter schools with CMOs that receive Federal grant funds must comply with statutes authorizing the applicable grant program, regulations, the terms and conditions of their grant awards, and relevant Department-issued guidance... and non-Federal entities that receive Federal grants must establish and maintain effective internal control over those funds starting December 26, 2014,” p. 10.

General Findings

- **Significant risks to program objectives:**
 - Financial risk
 - Lack of accountability over federal funds
 - Performance risk

Problems not rare

- 22 CMOs out of 33 charter schools in the study produced 36 cases of:
 - Internal control weaknesses
 - Conflicts of interest
 - Insufficient segregation of duties
 - Related-party transactions

Financial Risk

- 24 examples at 17 charter schools had financial risk that, if unmitigated, present significant financial risk to Departmental programs and could put charter schools at risk of closing due to:
 - Conflicts of interest
 - Insufficient segregation of duties
 - Related-party transactions

Findings Regarding the Department

- The Department lacked effective oversight to evaluate and mitigate the risk that charter school relationships with CMOs pose to Department programs
- Charter school relationships with CMOs posed a significant risk to OESE, OSERS, and OII program objectives
- The Department considered the risk of charter schools with CMOs the same as other grantees
- The Department did not have effective monitoring procedures to mitigate risk
- Insufficient department monitoring of charter school relationships with CMOs

Findings Regarding SEAs and Authorizers

- Insufficient SEA monitoring of CMO-operated charters
- Need information sharing between SEAs and authorizers regarding CMO-operated charters
- The Department should provide guidance to help SEAs identify and mitigate potential risks of CMO-operated charters

Agenda (3)

- ✓ Introductions
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Agenda (4)

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Program Integrity - Example

“Two charter schools in Florida that had the same CMO leased their facilities through two affiliated companies of the CMO. We found a series of potential conflicts of interest between key officials of the charter school, the CMO, and the two affiliated companies. The founder of the charter school operator was also the founder of the CMO, and the sibling of the founder had managing responsibilities at the two affiliated companies that leased the buildings to the two charter schools. The siblings occupied positions including board member at the two charter schools, the CMO president, the CMO vice-president, and the manager and president at the two affiliated companies.”

Agenda (5)

- ✓ Introductions
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- **Governance Expectation**
- Other Issues

Agenda (6)

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Contact

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NCSRC Resources (1 of 3)

Webinars

- [General Webinar: Exploring the Role of the SEA in Promoting Local District Charter Collaboration](#)
- [General Webinar: I Just Joined a Charter School Board...Now What?](#)
- [General Webinar: Rural Charter Schools – Building Bridges](#)
- [General Webinar: Using Data to Create Positive School Climates and Discipline Practices in Charter Schools](#)
- [General Webinar: Charter Schools and Food Services: Options, Planning, and Decision-Making](#)
- [General Webinar: Supporting Students with Disabilities](#)
- [General Webinar: Serving English Language Learners and Families](#)
- [SEA Webinar: The Role of States and Charter School Authorizers in Overseeing Student Discipline in Charter Schools](#)
- [SEA Webinar: Overview of CSP's Recently Released Dear Colleague Letter and of the NCSRC](#)
- [SEA Webinar: Use of Funds](#)
- [SEA Webinar: Annual Independent Audits](#)
- [SEA Webinar: Early Childhood Learning in Charter Schools](#)
- [SEA Webinar: Data Management Tools for Risk Based Monitoring](#)
- [SEA Webinar: Weighted Lotteries](#)
- [SEA Webinar: Charter School Closure](#)
- [SEA Webinar: Measuring Authorizer Quality](#)
- [SEA Webinar: Financial Management and Fiscal Controls](#)
- [Credit Enhancement Webinar: Evaluating Charter School Performance](#)
- [Credit Enhancement Webinar: Evaluating Charter School Performance During the Transition to Common Core](#)
- [Credit Enhancement Webinar: Recent Developments in CSP Guidance](#)
- [Credit Enhancement Webinar: Authorizer Collaboration](#)

NCSRC Resources (2 of 3)

White Papers and Reports

- > [New School Development Toolkit](#)
- > [A User's Guide to Fiscal Oversight for Charter School Governing Boards and Authorizers](#)
- > [Charter School Discipline: Examples of Policies and School Climate Efforts from the Field](#)
- > [Charter School Discipline Toolkit: A Toolkit for Charter School Leaders](#)
- > [Authorizer Evaluation Summary: An Analysis of Evaluations of Authorizer Quality](#)
- > [District-Charter Collaboration: A User's Guide](#)
- > [Student Achievement in Charter Schools: What the Research Shows](#)
- > [An Analysis of the Charter School Facility Landscape](#)
- > [Finding Space: Charters in District Facilities](#)
- > [Charter Schools and Military Communities: A Toolkit](#)
- > [Legal Guidelines for Educating English Learners in Charter Schools](#)
- > [Engaging English Learner Families in Charter Schools](#)

Case Studies

- > [Washington Leadership Academy](#)
- > [Deep Community Engagement at the Native American Community Academy \(NACA\)](#)
- > [Cornville Regional Charter School: Personalized Learning](#)
- > [Student Discipline and School Climate in Charter Schools](#)
- > [AppleTree \(Early Learning\)](#)
- > [DC Public Charter School Board \(Authorizer\)](#)
- > [Camino Nuevo's Kayne Siart Campus](#)
- > [Indianapolis Mayor's Office \(Authorizer\)](#)
- > [Cornerstone Prep \(Turnaround\)](#)
- > [Yes Prep/Houston \(District-Charter Collaboration\)](#)
- > [Two Rivers Public Charter School \(SWD\)](#)
- > [Folk Arts Cultural Treasures Charter School \(EL\)](#)
- > [Alma del Mar \(EL\)](#)
- > [El Sol \(EL\)](#)
- > [Brooke Roslindale Charter \(SWD\)](#)

NCSRC Resources (3 of 3)

CSO Master Classes

- [Communications](#)
- [School Leadership Development](#)
- [New School Development](#)
- [Emerging Legal Issues](#)
- [Federal Funding Opportunities](#)
- [Legal Issues Impacting the Public Charter Sector Webinar: Student Discipline – Policy & Practices in Public Charter Schools](#)
- [Closing Low-Performing Public Charter Schools - State Level Strategies](#)
- [Parent & School Engagement for CSOs](#)
- [Board Development and Governance](#)

Newsletters

- [Discipline Resources](#)
- [Rural Charter Schools Report](#)
- [Aldine ISD and YES Prep District-Charter Collaboration Case Study](#)
- [District-Charter Collaboration: A User's Guide](#)
- [Student Achievement in Charter Schools: What the Research Shows](#)
- [Serving English Language Learners and Families](#)
- [Charter Schools Serving Military Families](#)
- [English Learners in Charter Schools: Key Opportunities for Engagement and Integration](#)
- [Finding Space: Analyzing Charter School Facilities](#)